



**University of Colorado Health**  
**QUARTERLY BOND COMPLIANCE PACKET**

For Quarter Ended:  
December 31, 2018

**Unaudited Results**  
**University of Colorado Health**  
**Comparative Summary Statements of Income & Changes in Fund Balances**  
**For Quarter Ended: December 31, 2018**  
(in Thousands)

	Quarter 2		Quarter 2		Year-to-Date		Year-to-Date	
	Fiscal Year 2019		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2018	
	Obligated Group Total <sup>2</sup>	System Consolidated						
<b>Operating Revenue</b>								
Net Patient Revenue <sup>1</sup>	\$ 1,168,754	\$ 1,188,928	\$ 1,039,692	\$ 1,048,631	\$ 2,311,025	\$ 2,346,657	\$ 2,002,601	\$ 2,012,556
Grant Revenue	804	1,252	351	771	1,573	2,384	753	1,644
Other Operating Revenue	10,194	12,672	18,001	20,404	22,345	27,234	34,384	38,789
<b>Total Net Operating Revenue</b>	<b>\$ 1,179,753</b>	<b>\$ 1,202,853</b>	<b>\$ 1,058,044</b>	<b>\$ 1,069,806</b>	<b>\$ 2,334,944</b>	<b>\$ 2,376,274</b>	<b>\$ 2,037,739</b>	<b>\$ 2,052,990</b>
<b>Operating Expenses:</b>								
Wages, Contract labor, & benefits	\$ 487,996	\$ 499,266	\$ 439,507	\$ 444,864	\$ 968,948	\$ 991,289	\$ 856,118	\$ 863,036
Supplies	266,420	271,086	228,503	229,920	513,134	521,663	436,257	437,975
Purchased Services & Other Expenses	228,567	241,016	202,555	217,501	455,372	482,505	394,641	411,369
Depreciation and Amortization	49,542	51,277	49,164	49,812	98,820	102,095	95,061	95,951
<b>Total Operating Expense</b>	<b>\$ 1,032,525</b>	<b>\$ 1,062,645</b>	<b>\$ 919,729</b>	<b>\$ 942,097</b>	<b>\$ 2,036,274</b>	<b>\$ 2,097,552</b>	<b>\$ 1,782,077</b>	<b>\$ 1,808,331</b>
<b>Operating Income (Loss)</b>	<b>\$ 147,227</b>	<b>\$ 140,207</b>	<b>\$ 138,315</b>	<b>\$ 127,709</b>	<b>\$ 298,670</b>	<b>\$ 278,722</b>	<b>\$ 255,662</b>	<b>\$ 244,659</b>
<b>Nonoperating revenue &amp; expenses</b>								
Interest Expense	\$ (9,968)	\$ (9,997)	\$ (13,117)	\$ (13,143)	\$ (22,471)	\$ (22,531)	\$ (26,417)	\$ (26,473)
Investment Income	(280,431)	(284,061)	123,959	125,269	(169,163)	(171,459)	230,851	233,463
Other Non-Operating Revenue	(11,212)	(10,727)	(10,989)	(10,568)	(20,836)	(20,107)	(1,231)	(19,521)
Gain (Loss) Disposal Cap	(8)	(9)	(40)	(40)	(62)	(62)	(14)	(13)
<b>Total Nonoperating Income</b>	<b>\$ (301,619)</b>	<b>\$ (304,793)</b>	<b>\$ 99,814</b>	<b>\$ 101,518</b>	<b>\$ (212,532)</b>	<b>\$ (214,159)</b>	<b>\$ 203,189</b>	<b>\$ 187,455</b>
<b>Income Before Contributions</b>	<b>\$ (154,392)</b>	<b>\$ (164,586)</b>	<b>\$ 238,130</b>	<b>\$ 229,227</b>	<b>\$ 86,138</b>	<b>\$ 64,563</b>	<b>\$ 458,851</b>	<b>\$ 432,114</b>
Non-Recurring	-	-	-	-	-	-	-	-
Restricted contributions	807	883	148	1,175	1,016	2,431	(19,035)	2,109
Distribution of Net Assets	(5,633)	(5,633)	(4,060)	(4,060)	(5,633)	(5,633)	(4,060)	(4,060)
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (159,218)</b>	<b>\$ (169,336)</b>	<b>\$ 234,217</b>	<b>\$ 226,342</b>	<b>\$ 81,521</b>	<b>\$ 61,362</b>	<b>\$ 435,756</b>	<b>\$ 430,163</b>

<sup>1</sup> In accordance with GASB 34, bad debt expense is classified as a reduction of net patient service revenue.

<sup>2</sup> Obligated group members include: University of Colorado Health, University of Colorado Hospital Authority, Poudre Valley Health Care, Inc., Medical Center of the Rockies, Longs Peak Hospital, Yampa Valley Medical Center, and Poudre Valley Medical Group LLC

**Unaudited Results**  
**University of Colorado Health**  
**Comparative Balance Sheet**  
**December 31, 2018**

	<b>December 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Obligated Group<sup>1</sup></b>	<b>System Consolidated</b>	<b>Obligated Group<sup>1</sup></b>	<b>System Consolidated</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	195,720,853	215,166,033	257,593,893	281,070,551
Accounts Receivable from Patients	1,947,751,229	2,051,707,605	1,711,010,002	2,017,256,923
Allow for Uncollectibles & Contractual Adj	(1,418,531,902)	(1,505,121,854)	(1,235,629,473)	(1,528,066,695)
Related Party Receivables	71,680,832	12,150,398	(14,261,219)	12,286,082
Other Accounts Receivable	27,114,178	27,353,772	10,309,121	10,735,022
Intercompany ST Bonds Receivable	-	-	-	-
Inventory of Supplies at Cost	85,863,243	88,695,560	73,602,957	77,822,343
Prepaid Expense	67,704,851	68,517,491	61,479,285	62,181,474
Investments Designated for Liquidity Support	141,555,000	141,555,000	102,315,000	102,315,000
<b>Total Current Assets</b>	<b>1,118,858,286</b>	<b>1,100,024,005</b>	<b>966,419,567</b>	<b>1,035,600,699</b>
<b>Designated Assets</b>				
Restricted Investment Bonds	1,267,596	1,267,596	101,309,381	101,309,381
Restricted Investment Other	520,169	520,169	1,325,244	1,325,244
Investment and Receivables Restricted by Donor	(213,640)	45,968,381	(2,560,275)	47,562,845
<b>Total Designated Assets</b>	<b>1,574,125</b>	<b>47,756,146</b>	<b>100,074,351</b>	<b>150,197,470</b>
<b>Long - Term Assets</b>				
Non-Current Receivables	-	-	-	-
Building & Leasehold Improvements	2,449,360,744	2,477,320,186	2,422,520,562	2,434,587,951
Equipment	1,216,723,625	1,250,637,677	1,124,581,032	1,154,927,279
Accumulated Depreciation	(1,776,106,246)	(1,783,727,826)	(1,608,718,377)	(1,619,280,988)
Construction & Projects in Progress	717,003,331	719,784,521	244,652,927	245,433,574
Long-Term Investments	3,351,543,749	3,375,002,025	3,371,392,242	3,380,041,574
Investments in Affiliates	51,342,104	61,845,933	56,648,377	66,907,380
Intercompany LT Bonds Receivable	0	0	1	1
Intercompany Deferred Financing Costs	-	-	-	-
Deferred Financing Costs	-	-	8,662,631	8,662,631
Other Long Term Assets	25,111,198	25,367,994	46,880,266	25,147,208
Deferred Outflows	61,466,460	73,074,284	44,715,736	47,086,877
<b>Total Long - Term Assets</b>	<b>6,096,444,967</b>	<b>6,199,304,795</b>	<b>5,711,335,397</b>	<b>5,743,513,488</b>
<b>Total Unrestricted Assets</b>	<b>7,216,877,378</b>	<b>7,347,084,945</b>	<b>6,777,829,315</b>	<b>6,929,311,658</b>
<b>Current Liabilities</b>				
Compensated Absences Payable	81,405,842	82,904,818	72,922,513	73,180,435
Salary & Wages Payable	158,498,746	160,743,871	131,764,025	132,718,147
Sales Tax Payable	96,288	99,198	86,694	88,779
Accounts Payable (Excluding Plant & Equipment)	238,199,427	248,355,785	165,917,265	182,360,941
Accounts Payable for Construction, Property, & Equipment	82,463,067	82,477,480	63,705,405	63,705,405
Accounts Payable Other	65,598,733	66,644,870	86,897,515	91,741,474
Intercompany Payable	-	-	-	-
Estimated Net Amounts Due to Third Party Payors	216,102,192	216,165,344	211,748,403	212,234,125
Accrued Interest Payable	7,035,965	7,035,965	10,180,773	10,180,773
FV Swap Agreement	3,367,781	3,367,781	3,367,781	3,367,781
Current Portion of Long-Term Debt	31,163,621	31,167,178	30,090,022	30,409,865
Long-Term Debt Subject to Short-Term Remarketing	141,555,000	141,555,000	102,315,000	102,315,000
<b>Total Current Liabilities</b>	<b>1,025,486,663</b>	<b>1,040,517,289</b>	<b>878,995,396</b>	<b>902,302,724</b>
<b>Long-term Liabilities</b>				
Long-Term Debt	1,592,273,620	1,592,279,265	1,686,568,916	1,686,595,771
Derivative Inst Liability	18,420,581	18,420,581	25,822,314	25,822,314
Other Long-Term Liabilities	164,804,958	164,952,684	128,365,851	128,750,595
Deferred Inflows	13,982,357	13,993,614	4,654,415	4,654,415
<b>Total Long-Term Liabilities</b>	<b>1,789,481,516</b>	<b>1,789,646,144</b>	<b>1,845,411,496</b>	<b>1,845,823,095</b>
<b>Total Fund Balance</b>	<b>4,401,909,199</b>	<b>4,516,921,512</b>	<b>4,053,422,423</b>	<b>4,181,185,840</b>
<b>Total Liabilities and Fund Balance (Unrestricted Funds)</b>	<b>7,216,877,378</b>	<b>7,347,084,945</b>	<b>6,777,829,315</b>	<b>6,929,311,658</b>

<sup>1</sup> Obligated group members include: University of Colorado Health, University of Colorado Hospital Authority, Poudre Valley Health Care, Inc., Medical Center of the Rockies, Longs Peak Hospital, Yampa Valley Medical Center, and Poudre Valley Medical Group LLC

**Unaudited Results**  
**University of Colorado Health**  
**Statement of Cash Flows**  
**December 31, 2018**  
**(in Thousands)**

	<b>Quarter 2</b>	<b>Year-to-Date</b>
	<b>System</b>	<b>System</b>
	<b>Consolidated</b>	<b>Consolidated</b>
<b>Cash flows from operating activities</b>		
Cash received from patients and third-party payors	\$ 1,180,631	\$ 2,326,446
Cash payments to suppliers for goods and services	(509,940)	(968,903)
Cash payments to employees/other on behalf of employees	(483,305)	(965,036)
Other cash payments	(10,727)	(27,177)
Other cash received	1,156	13,786
<b>Net cash provided by operating activities</b>	<b>177,815</b>	<b>379,116</b>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from long-term debt	-	-
Principal payments under capital lease obligations	(1,464)	(2,903)
Principal repayments of long-term debt	(24,096)	(24,146)
Payments of interest and issuance costs on long-term debt	(23,478)	(33,610)
Capital expenditures	(170,482)	(335,894)
Receipt of contributions	906	2,584
Cash acquired from component unit	-	-
(Distributions to) contributions from minority interest in component unit	(5,633)	(4,633)
Proceeds from sale of capital assets	3	76
<b>Net cash used in capital and related financing activities</b>	<b>(224,244)</b>	<b>(398,526)</b>
<b>Cash flows from Investing activities</b>		
Investment income	21,028	31,984
Distributions received from joint ventures	4,020	5,508
Proceeds from sale and maturities of investments	702,149	1,633,151
Purchases of investments	(766,079)	(1,766,420)
<b>Net cash used in investing activities</b>	<b>(38,882)</b>	<b>(95,777)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(85,311)</b>	<b>(115,187)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>300,477</b>	<b>330,353</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 215,166</b>	<b>\$ 215,166</b>
Reconciliation of operating income to net cash provided by operating activities:		
<b>Operating income</b>	<b>\$ 140,207</b>	<b>\$ 278,723</b>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	51,277	102,095
Provision for bad debts	50,852	117,581
Decrease (increase) in patient accounts receivable	(59,099)	(142,008)
Increase (decrease) in estimated third-party settlements	(51)	4,216
Decrease (increase) in other receivables and receivables from related parties	(5,220)	(3,582)
Decrease (increase) in inventories	(22)	(470)
Change in net pension assets/liabilities	1,594	3,189
Decrease (increase) in prepaid expenses	604	(882)
Decrease (increase) in other assets	(1,967)	(1,401)
Increase (decrease) in accounts payable and accrued expenses	13,521	50,849
Increase (decrease) in accrued compensated absences and other	30	(2,592)
Equity income from joint ventures	(3,184)	(6,495)
Acquired assets and liabilities from component unit	-	-
Adjustments to other cash receipts/payments	(10,727)	(20,107)
Total adjustments	37,608	100,393
<b>Net cash provided by operating activities</b>	<b>\$ 177,815</b>	<b>\$ 379,116</b>
Non-cash transactions:		
Donated pharmaceuticals	\$ 2,397	\$ 4,354
Construction in progress accrued	\$ 4,288	\$ 82,477
Unrealized gain	\$ (315,855)	\$ (246,865)
Refunding of debt	\$ -	\$ 197,350

**Unaudited results**  
**University of Colorado Health**  
**Financial Covenant Calculations**  
**December 31, 2018**

**Days Cash on Hand**

Cash	\$ 195,720,853
Investments Designated for Liquidity Support	\$ 141,555,000
Long-term investments	3,351,543,749
<b>Total cash and investments</b>	<b>\$ 3,688,819,602</b>

Operating expenses	\$ 2,097,551,665
Bad Debt Expense	117,581,330
Interest expense	22,530,708
<b>Total expenses</b>	<b>2,237,663,704</b>

Less:

Depreciation/amortization	102,094,582
<b>Total</b>	<b>2,135,569,122</b>

Days	182
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Average Daily Operating Expense	\$ 11,733,896
<b>Days Cash on Hand</b>	<b>314.4</b>

**Indebtedness Ratio**

Long Term and Short Term Debt	\$ 1,765,001,443
Unrestricted Net Assets	4,465,949,654
<b>Total Capitalization</b>	<b>\$ 6,230,951,098</b>
<b>Ratio of LT Debt to Total</b>	<b>28.3%</b>

**Debt Service Coverage Ratios\***

Income (loss) before Contributions & Impairment	\$ 341,121,583
<b>Add Back:</b>	
Depreciation	\$ 205,274,433
Interest Expense	49,299,461
Unrealized (Gain)/Loss on Investments	(253,264,059)
(Gain)/ Loss on Disposal of Capital Assets	(481,189)
<b>Income available for Debt Service</b>	<b>\$ 849,440,726</b>

Maximum Annual Debt Service**	\$ 84,795,211
<b>MADS Coverage</b>	<b>10.02</b>

*\*\*Maximum Annual Debt Service as calculated per 2017A Official Statement Debt Service Schedule*